MAR 15 1993

STATEMENT OF ELLEN THEG

MOTION PICTURE, BROADCASTING AND RECORDED SOUND DIVISION

I submit my comments on behalf of International Television Trading Corp., which is the Western Hemisphere representative of the KirchGroup of companies, based in Munich, Germany. The KirchGroup distributes the large library of early 20th Century shorts and features known as the HAL ROACH LIBRARY, its title crediting the unique contribution of its producer. This library includes the films of Laurel and Hardy, THE LITTLE RASCALS series, and the Charley Chase comedies, to name a few.

The Library of Congress holds the lions share of materials on these motion pictures - most of which are in nitrate form - under a Deposit Agreement with the Western Hemisphere owner of the Library, RHI Entertainment, Inc. Supplementing that Agreement, the KirchGroup has direct access to the collection representing the Eastern Hemisphere copyright owners of the HAL ROACH LIBRARY.

Since 1988, we have been making a consistent effort to access the approximately 250 titles stored at the Library in order to make preservation copies before the nitrate materials deteriorate. The meticulous steps of preservation have been supervised by film expert and historian Richard W. Bann of Los Angeles using the custom lab Film Technology Company, Inc. This process is painstaking, requiring the inspection of <u>all</u> elements at the Library in order to determine what is the best source material to print from for each reel of a picture, and often parts of reels. It is expensive, labor and time intensive, and requires a confirmed commitment of resources.

We have made that commitment and established our reputation with the Library over the past five years of our access. Facing a past history of abuse of access priviledge which the Library encountered, we have worked meticulously to overcome that obstacle by a consistent policy of careful handling of source materials as well as cooperation in finding rare materials from <u>outside</u> the Library to loan for its own restoration project.

Unfortunately, until recently, this commitment has not translated into any hopes for a smooth flow of access from the Library. We have presented several plans to set in place as a mechanism for routine turnover, including our supplying a list of prioritized titles to act as a standing order; an offer to assist in the Library's own preservation project by sharing costs of selected second copies from our own efforts, etc. However, we were never able to get beyond the general concerns of the Library which it applied equally to all requesting persons, as spelled out in the enclosed letter from the Library of April 1992.

I will share the bottleneck we encountered in 1991/1992: the Library has its own plans to preserve selected pictures. It has

its own Washington, D.C. lab where it insists on taking its preservation copies from. Because of budget cuts, both the staff at that lab and the money available to pay for preservation printing has dropped dramatically. But the Library did not want to release to us for our preservation project any titles which it had not itself preserved. In fact, for those titles which it had preserved, the Library was insisting that it had to re-screen the preserved copy before it could send elements to us. The reasoning was that we would damage the elements, and that the Library's own preservation copy - most likely made many years ago - may have deteriorated and/or have been made from materials which were inferior to elements which the Library may have received since that copy was made.

In addition, we were told that the Library lacked the staff it needed at its Dayton storage facility, and that the HAL ROACH LIBRARY had never been inventoried by film technicians. Here is an area where our own preservation work could help the Library's records, since we must inspect all elements of a title before we make our preservation copies. We offered the possibility of returning cans relabeled, and inspected. Instead, the Library insisted on inspecting all its materials before it ships from Dayton, for the purpose of confirming their quality. They then inspect the same materials upon return receipt, looking for damage by us in the printing process. There is one man on staff in Dayton qualified to make that assessment.

We were amazed that the Library would choose to waste its resources in this way when we offered a time-saving service; particularly in light of the fact that it had had ample opportunity to assess our treatment of materials and internally separate out those users exploiting the Library's collection from those of us who were trying to enhance it.

As part of the negotiations, the Library asked us for a prioritized list of titles, which we supplied. That was in an attempt to see where our preservation interests overlapped. We never received a response.

Alternatively, we asked the Library to give us its prioritized list of titles which it deemed valuable to the National Interest. We hoped to either work together on those titles to preserve a copy for each of us at one time; or to be free to access non-prioritized titles without concern from the Library.

Coincidentally, to prepare this list the Library would in some way rely on our own consultant, Richard Bann, because he is the world expert on the HAL ROACH LIBRARY. And we felt confident that if any company represented the good faith interests of both the Copyright Owners/Industry's interest and the Public's interests, that would be us. However, this was not the case, we never received the Library's list, and our negotiation was dropped in favor of new

interests pressing on the Library's staff, repeatedly rising from the swamps of political forces.

A final factor slowing access was and is the black-out from late May till end of September on shipments from Dayton for nitrate materials. The OK to ship is tied to the temperature in Dayton. We strongly suggest that there are ways of shipping during the summer months without risk to materials or personnel. That is a factor we are still exploring.

The bind of all the above factors has left us with a mere trickle of materials, made only after personal calls and special approval given from the Chief of the Motion Picture, Broadcasting and Recorded Sound Division of the Library.

Only upon the recent arrival of David Francis are we are once again optimistic about accomplishing our goals for preservation. Our mandate is to preserve the HAL ROACH LIBRARY before it deteriorates and for us that means speeding up access - access which we pay for in Library's fees. In doing so we represent the interests of both the Eastern and Western Hemisphere copyright owners; and of the public at large, having agreed to allow the Library to have access to our preserved materials on loan at any time.

We hope to see a dramatic improvement in the Library's policy position so that we, and others, may accomplish those ends.

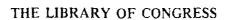
Sincerely,

Ellen Theq

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MOTION PICTURE, BROADCASTING AND RECORDED SOUND DIVISION

April 7, 1992

Dear Ms. Theg:

I have your FAX of March 18th and we are reviewing it with the staff at our vault. I will try to give you a tentative schedule of shipping later this week.

As I mentioned, we are reviewing the whole process of handling shipping requests from donors. We have similar obligations with several donors and the number of requests we have received has been growing from year to year. This means that a large number of films are out of the vault these days.

We have been examining our nitrate very carefully recently and have seen evidence of mishandling while films were on loan. We are finding scratches, tears, poorly made splices, and even replacement sections made from inferior materials. We feel that we must document this more carefully, so we have instituted a program to examine the nitrate more carefully before shipping and we will examine it more carefully when it returns. We are also reviewing the number of requests received for each title.

I have asked our preservation staff to prepare a priority list of titles in the Roach Collection that we want to receive particular attention. When this is prepared, we will send it to you.

With best wishes.

Sincerely yours,

Paul C. Spehr

Assistant Chief

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